

Employee-Employer Relations Bulletin

*Broadcasting: A Gilt-Edge
Field Of Employment*

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FOREWORD

Before any company or industry starts "tooting its own horn", it should look carefully at the facts about itself in relation to others. All self-appraisals should be based upon sensible objective yardsticks.

Whether a radio station, a factory or any other place of business is a good or bad place to work is reflected largely by the response of the employees. Progressive management seeks to elicit a favorable response through constructive employee-employer relations.

The candid facts are that, by the normal standards of American workers:

Radio is a Gilt-Edge Field of Employment

Our objective in presenting this bulletin is to point a finger at some of the salient facts which justify this statement. But in putting forth this claim for the broadcasting industry, we wish to emphasize two very important conclusions. First, there is still ample room for improvement based upon healthy and harmonious employee relations programs. Second, unsound wage and employment practices, whether resulting from poor management or arising from dogmatic and ill-considered demands of unions, will undermine the conditions now so common in radio.

Radio is a Gilt-Edge Field of Employment -- Let's Keep it That Way.

BROADCASTING: A GILT-EDGE FIELD OF EMPLOYMENT

WHAT MAKES A JOB A GOOD JOB?

The worker has many wants to satisfy in relation to his job. Some are real; some are imaginary; some are conscious; some are so vague that he can't clearly define them himself.

To the fellow who gets low wages, a good job is one which pays well. To the worker who worries about lay-offs and unemployment, a good job is one which offers security. To the employee who suffers personal indignities at the hands of his supervisors, a good job is one where people are treated in a friendly, human fashion. To those who render loyal, efficient service which goes unnoticed by management, a good job offers recognition and rewards to those who deserve them. To the man performing a routine, repetitious task, a good job is one which offers opportunities for personal advancement and which gives the worker a sense of pride in his accomplishments.

To different persons, a "good" job means different things. There is no 100% standard by which we can measure "degrees of job satisfaction" for everyone. Even if this were possible, employees, being human, would still look longingly at the grass in some other fellow's yard.

But, in all fairness to themselves, employees should ask themselves at least two questions:

- (1) *How do our jobs stack up with those held by our friends and acquaintances and with those we know about in other companies and industries?*
- (2) *Do our jobs produce a sense of personal satisfaction?*

RADIO JOBS ARE GOOD JOBS

It would be silly to say that broadcasting is, for all people, an ideal place to work or that everyone in radio has a fine job.

But, if you take an overall audit of the radio industry, you will find much to justify the conclusion that "Broadcasting is a Gilt-Edge Field of Employment". Some basic facts to support this contention are:

- (1) *From 1937 to 1947, total wage payrolls of full-time employees in radio increased 217% whereas an increase of only 135% took place in industry as a whole.*
- (2) *Average annual and weekly income per radio employee is the second highest (now probably the highest) of any industry in the Nation. In 1946, the average annual earnings for all full-time radio employees (including free-lance talent and other network talent) were \$3,984 as contrasted with \$2,359 for all private industry; \$2,560 for public utilities; \$2,512 for manufacturing; \$2,400 for wholesale and retail trade, and \$2,567 for finance, brokerage and insurance.*
- (3) *The average weekly wage scale of full-time radio station staff personnel (exclusive of network employees) was \$74.00 in July 1947, as compared with \$49.25 for employees in manufacturing; \$55.10 for electric light and power; \$52.65 for insurance, and \$61.36 for finance and brokerage. Obviously, the over-all average weekly income for combined station and network personnel (including free-lance talent) was appreciably above \$74.00 in July 1947.*

- (4) From 1940 to July 1947, there was a 70% increase in average weekly wages of radio station staff employees while the cost of living of the United States advanced 57%, during the same period.
- (5) The growth of the industry has made, and will continue to make, for rapid personal advancement for those who have the personal qualifications and possess the earnest desire to get ahead.
- (6) In addition to the large monetary rewards and opportunity for advancement, the radio industry offers a degree of employment security found in practically no other field of American enterprise.
- (7) Few American industries can boast of the high degree of labor harmony found in radio. During the first six months of 1947, only about 80 employees were affected by strikes throughout the industry.
- (8) Among the stations themselves -- and not including networks -- nearly \$1,000,000 was paid out in bonuses, June 1946-June 1947, among 223 stations with an average of better than \$4,000 per station. In addition, a high percentage of stations have insurance, health and employee benefit plans for their employees.
- (9) The physical surroundings and working conditions generally prevalent in the industry are on a par with the best to be found in American business. Physical strain, fatigue, unhealthy working environment, hazardous jobs and individual worker obscurity arising from mass employment are virtually nonexistent in broadcasting.
- (10) The comparatively small staff of the typical radio station permits flexible employee relations practices and makes possible the recognition of employees as individuals with personal problems and human traits.

SECURITY IS A MATTER OF FACT IN RADIO

Most people want some kind of security. This means simply that individuals want reasonable assurance that their work and income will have continuity. In the radio industry we already possess a degree of total employment stability far in excess of that which is common in industry as a whole. There is no earthly reason why broadcasters should not capitalize upon this fact as a means of promoting better labor relations with their own employees.

There are several reasons why the radio industry naturally offers its employees greater security than is found in other fields of American business -- and these reasons are inherent in the industry itself.

First, the rate of growth and expansion of broadcasting itself has been very substantial. As a result, from 1937 to 1946, the total full-time employees in radio doubled in number. During the same ten years, full-time employment in all lines of private industry advanced 25%; in manufacturing 37%; in wholesale and retail trade 37% and in finance, insurance, real estate and allied lines only 19%.

A second significant factor is the relative absence of cyclical and seasonal fluctuations. Unlike a shoe factory, a steel mill, an automobile accessory plant, or even a retail store, a radio station doesn't run part time, or even close shop during dull seasons. Moreover, radio's income is largely geared to the advertising expenditures of producers and sellers of perishable consumer goods and these, by their very nature, have relatively smaller business cycle fluctuations than are common to the construction, steel, automobile and other lines.

Much has been said and much more will be said of guaranteed annual employment. Yet for years, employment security has been a reality for broadcast technicians, staff announcers, and other station personnel, even though this fact is not always fully appreciated. The next step forward may, indeed, be the evolution of specific plans whereby many stations and networks will assure annual employment and income to certain employees who have proved their job qualifications during some prescribed minimum period of employment.

There are, indeed, substantial areas of job security within the horizon of the radio industry — *but only* if we maintain sound operating conditions. We must lift the barrier of uncertainty created by union featherbedding, by dogmatic and arbitrary demands for constantly higher wage scales by certain radio unions without regard for the trend in total station income. We must avoid wage spirals generated by the pressure of certain groups who seemingly have a selfish disregard for ownership profits and for the wages received by other groups of station employees. The major radio unions and radio employees must display a genuine understanding of the economic factors underlying station operations; they must appreciate the need for operational flexibility; they should comprehend the significance and nature of depreciation and maintenance costs; they should recognize the clear distinction between net income and gross income.

Fundamentally, the basis for all employment and income security is a sound, profitable and progressive enterprise. Herein rests the only means of achieving employment security for all American workers. No government laws can buy it; no union, by itself, can make it possible.

RADIO WAGES AMONG THE BEST IN THE NATION

Next to security, most persons desire an adequate wage for the work being performed. All of us — executives and rank-and-file employees — regard income as purchasing power and, hence, there is an ever-present desire for larger wages. However, the wage we get also reflects our personal dignity and pride. We are concerned with our pay in relation to what others in our company and in our community are paid. The absolute amount is mighty important, but so is the relative amount. For this reason, management must give full consideration to the relative importance of jobs, and, thereby, establish equitable salary brackets. Furthermore, just and deserved increases in pay to individuals in accordance with their capacities and performances are very essential to the wage structure of the individual company and the industry.

No wage structure is completely sound which does not recognize individual productivity, total labor efficiency and the opportunities for promotion and advancement based upon personal merit. Conversely, rigid group wage patterns which submerge individual initiative and retard individual advancement are, in reality, bad for workers and for the business enterprise.

Radio pays its employees very well. In July 1947, the overall average weekly wage rate of full-time broadcast station employees (excluding network personnel and free-lance talent) was approximately \$74.00, with actual take-home pay running higher for a substantial number of employees. As a whole, the average annual income per employee in radio is either the highest or the second highest of any field of business in the United States. This slight confusion as to the No. 1 or No. 2 place of radio arises from the comparatively incomplete data on the Motion Picture industry. Some statistics place Motion Pictures ahead of Radio; other data indicate that it is second to Radio. If the total Motion Picture field, including production and distribution, is compared with the overall radio picture, including station and network personnel (staff and free-lance), broadcasting undoubtedly now stands No. 1, as regards average weekly and annual income per employee.

National averages frequently don't mean much to individuals. Yet, the high level of broadcast employee income prevails in just about every section of the nation. City by city, region by region, the typical wages paid to station staff announcers, salesmen, technicians and other personnel rank at or near the top, when contrasts are made with reasonably comparable types of work.

Furthermore, the very nature of the industry — involving networks; large, medium and small stations; agencies, etc. — offers exceptional opportunities for advancement to higher paying positions. The dynamic character of broadcasting, the cumulative expansion of new stations and the industry's receptiveness to change are all factors which provide new jobs and increased pay for progressive employees and for those with individual talents and creative ideas.

Unfortunately, all too frequently the wage structure within the many individual radio stations has "just grown like Topsy" and has become capricious and unsystematic.

In some cases, a lopsided and unsound wage pattern has resulted from the fact that certain staff employees are unionized and the economic strength of these unions has been used to push their own wages upward — ever upward — without regard for cost of living, profits, station income or other factors which affect the level of wages. Thus, today we find some stations able to maintain solvency despite relatively disproportionate wages received by one or two classes of station staff only by paying inadequate wages to several other classes of personnel.

The time has arrived when broadcasters must give attention to scientific job evaluation whereby different jobs are measured in terms of their relative contributions to the total operations of the radio station. Skill, experience, personal responsibility and other factors should be used to set the standards by which the wages of various classes of station personnel are paid. Even within this framework there will still be opportunity for management decisions and for collective bargaining to function effectively. Both management and employees must learn to understand job evaluation as a workable means of establishing equitable wage patterns. This need for scientific appraisal of jobs is as necessary and adaptable to small as large stations.

Furthermore, there is a need in many stations to evaluate objectively the salaries received by station managers in relation to wages paid staff personnel. There are not a few cases where station managers' income is disproportionately low, considering the overall importance of their efforts to the success of the station. Not only the profits of ownership but the incomes available to staff personnel depend on successful management.

MAKE-WORK POLICIES HURT EVERYONE

Maximum operational efficiency is retarded by make-work concepts and by artificially imposed work quotas. Featherbedding does not increase the total piece of income pie going to labor. It does result in ultimate unemployment and reduced wages because it holds back expansion and improvement.

The efforts of a few radio unions to prevent dual broadcasting of AM and FM programs or to demand premium wages for dual operations (involving no additional work effort) actually retard the growth of FM. By this very approach, they impede the expansion of total employment and potential future wage income within the radio industry.

A broadminded acceptance by each and every radio union of the fundamental economic trends underlying FM and television development will actually increase, not reduce, total industry employment and wage incomes for musicians, technicians, announcers and other station personnel.

The demand for and use of various types of employees and free-lance artists by the industry and by individual stations does not follow a completely fixed, rigid pattern which bears no relationship to the wages paid. Talent and operational costs must be paid for by the sponsor. We have now reached the marginal point where higher time and talent costs will result in decreased program sales to sponsors or the creation of program structures utilizing fewer persons.

There never was a time, and never will be a time, when workers and management could have more real income by producing less. Only as we expand the total produced income of a given team of workers can we increase the wages of each and every worker who comprises that team. We use the word "team" because in our modern type of society workers and management collaborate in group production. The individual, despite his personal talents, in the factory, store, bank, or radio station is as incomplete a production unit as one man on a baseball team. This "producing" team in radio requires technicians, announcers, secretaries, salesmen, writers, supervisors and various other employees.

FLEXIBLE OPERATIONS NECESSARY IN MANY STATIONS

It is also significant to note that, broadly speaking, the overall efficiency of a station determines the level of wages and the number and types of persons to be employed. Unfortunately, certain radio unions in their individual effort to "make jobs" for their present crop of members have destroyed flexibility and have frozen job opportunities.

Especially in small stations is job flexibility necessary. Here is the training ground for most of the announcers, technicians, writers, supervisors, managers, etc., of the radio industry. The young men and women who begin their careers in the small station anticipate a diversified program of activities so that they may receive a well-rounded training. Furthermore, without this flexibility of staff personnel, small stations can't meet the costs now imposed upon them and, thus, are unable to pay the wages which otherwise would be possible.

Both management and unions must accept the principle of flexible operations, especially among small and medium-sized stations. If they fail to do so, they will increase the number of failures among the small market broadcasters and close the door to the future supply of skilled broadcast personnel — whether program, technical, commercial or managerial. It is gratifying to find that not a few top officials of radio unions are sympathetic to the need for full productivity and efficiency based upon the specific operational requirements of individual stations.

BROADCASTERS LIBERAL IN ADOPTION OF EMPLOYEE BENEFIT PLANS

A supplement to an adequate wage system is an adequate program of employee benefits and insurance. It is indeed better that workers should look to industry as the source of protection for themselves and families than to regard the government as the snug harbor for security and economic refuge.

In addition to maintaining high wage scales, the radio industry has been extremely liberal in its development of profit-sharing, bonus and employee benefit plans.

In a recent survey conducted by the EERD, it was found that of the 461 stations covered:

- 44.9% had a hospitalization insurance plan;
- 38.8% had a life insurance plan;
- 34.1% had a profit-sharing bonus plan;
- 26.2% had a medical services benefits plan;
- 23.9% had a cash sickness plan;
- 13.7% had a permanent disability plan;
- 9.1% had a retirement plan;
- 1.3% had other types of plans;
- 37.1% had no plans.

These various employee benefit plans, when properly tailored to the financial structure and problems of individual stations, constitute an important phase of good employee relations under management guidance.

MAN DOES NOT LIVE BY BREAD ALONE

So far, we have stressed the monetary aspects of good employee relations. But man does not live by bread alone. Workers want personal recognition. They want their gripes ironed out, they desire to be treated like human beings. They want loyalty from management. These intangible factors are indispensable to good station morale and employee efficiency.

In the typical American enterprise, the employee possesses only a "timecard number" identity. This situation is not true of radio. In few, if any, industries is there the degree of close human relationship that is found in broadcast stations. The typical station manager and his sub-executives are not only personally acquainted with staff members, but are genuinely concerned with the welfare and the advancement of their employees. Within the daily framework of most stations all employees are business associates -- they are Jim, Dick, Dave, Dot, Virginia, Harry and Tom, each doing his, or her, individual job as part of a friendly team. This type of work environment is far more agreeable than that characteristically found in other industries.

Even where no formal grievance machinery exists, there is generally a full opportunity for all employees to "iron out their gripes". Sick leave plans -- whether reduced to a formula or improvised to meet specific cases -- are tailored to the varying needs of the employee, or stretched a point or two so as to conform with the dictates of friendly human relations.

Seldom is the "pink slip" given to station employees, and when such discharges are made they are practically always the result of repeated and flagrant abuses or of downright inefficiency. The actual records show that during the past year the discharge rate in radio was just about the lowest to be found in any American industry.

SOME FUNDAMENTAL ASSUMPTIONS REGARDING SOUND EMPLOYER RELATIONS

The successful and profitable operation of any business depends upon continuous production, high levels of efficiency and a proper balance between costs, prices and profits. To achieve these necessary goals, there must be harmonious team-work among all individuals -- management, supervisors and employees -- who perform the many interrelated tasks which make the business tick. In the long run, it is sound business policy to adopt a healthy and progressive employee program which establishes a high morale and positive esprit de corps among the persons who contribute to the successful operation of the company.

Good labor relations cannot be achieved by legislative fiat. We cannot expect -- and in a system of private enterprise we do not want -- governmental regulation to supplant genuine collective bargaining. However, if collective bargaining is to work effectively, it must be a two-way street with the traffic rules applying equally to all parties who travel that way.

Business and labor officials should realize that government edicts can't make people get along with each other. Although some legislative rules are necessary to "establish the boundaries of fair play" for collective bargaining, sound industrial relations depend upon the ability of individual management and labor leaders to work out mutually satisfactory agreements and to find ways of "living" under these agreements.

The potentialities of healthy employee relations are plentiful in the broadcast industry. Radio is a good place to work. It pays its employees very well indeed; it offers

boundless opportunities for personal expression and personal advancement; it provides unusual job security.

The intrinsic characteristics and underlying economics of radio operations offer a conducive background for progressive and constructive labor relations programs.

CONCLUSIONS

The radio industry has had a brilliant past. Science and economics dictate an even more brilliant future in which both employees and management should benefit. The challenge to labor and management in radio is to guide their mutual relations according to a sensible understanding of the economic factors underlying the operation of individual stations and networks and to relate daily practices to these larger issues.

Radio, as a wholesome and remunerative field of employment, takes its hat off to no other field of American business. Yet, in appreciating this fact, management and employees should strive for even higher goals of accomplishment through mutual teamwork. Unsound practices should not be allowed to develop and eventually to destroy or undermine the favorable employment conditions now prevalent. The trouble often is that unsound practices "creep" into an industry without either management or employees fully appreciating their ultimate effect. Short-run-gains to either management or employees frequently become long-run-losses. It is essential, therefore, that all radio people — owners, managers, staff personnel, free-lance artists — give intelligent and objective consideration to policies and practices in terms of sound radio operations.

Laws, by themselves, cannot force people to work together harmoniously and for their common interests. Intelligent understanding and cooperation blended with a sense of fairness and moderation constitute the proper environment for a sound employee relations program. Both employees and management must fully appreciate that one cannot get cooperation unless he gives it.

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